



A MONTHLY ELECTRONIC NEWSLETTER TO THE 41st ASSEMBLY DISTRICT
(Including Agoura Hills, Calabasas, Encino, Malibu, Hidden Hills, Lake Sherwood, Oak Park, Pacific Palisades, Port Hueneme, South Oxnard, Santa Monica, Tarzana, Topanga, Westlake Village, and Woodland Hills.)

NOVEMBER 2003 ISSUE

Governor Arnold Schwarzenegger Assumes Office

On Monday, November 17, California's 38th Governor was sworn into office. Although he has identified a number of priorities for immediate action, the state budget shortfall will dominate virtually all of them. I look forward to working with Governor Schwarzenegger on the very serious issues that lay before us.

Three issues were placed before the Assembly during special sessions on November 18 and 19.

1. Worker's Compensation Reform:

California's Worker's Compensation program exists to insure that workers who are injured on the job are provided with adequate compensation without having to resort to litigation, and to limit the liability of employers. Employers are required to provide insurance to cover potential claims. The Governor wants to cut a very ambitious \$11 billion in costs (out of a \$29 billion program). This would be in addition to the \$5 billion cut by the Legislature earlier this year by capping services. We've taken a good first step on Workers Compensation reform. The work we did last year should not only prevent a 12 percent increase, but the Insurance Commissioner is recommending that insurance companies lower their premiums for businesses by 15 percent. We know there is more to do and we will carefully consider the Governor's proposals while making sure injured workers are protected. Both the Assembly Insurance Committee and the Senate Labor and Industrial Relations Committee have been holding informational hearings on this very difficult challenge. (Letters can be sent to Assemblymember Juan Vargas, Chair, Assembly Insurance Committee and Senator Richard Alarcon, Chair, Senate Labor and Industrial Relations Committee.)

Cutting medical costs, addressing permanent partial disability, and expediting and creating a formula for medical services are complex issues. We have learned that making cuts does not necessarily mean that the insurance companies will pass those savings on by lowering their premium rates. For many insurance companies, profits have grown significantly in 2003. Protecting workers who are injured, and providing them reasonable medical care is critical. At the same time, rising out-of-control Worker's Comp rates are hurting businesses, nonprofits, schools, government entities, etc. The Legislature will be working with the Governor next year. Worker's Compensation reform is a shared and very high priority.

2. SB 60 – Driver's Licenses for the Undocumented:

State Senator Gil Cedillo, author of SB 60, has met with the Governor, who offered to work with him on a new bill. Based on that conversation, Senator Cedillo asked his fellow Senators to join him in repealing SB 60, which they did. I voted in the Assembly Transportation Committee for its repeal, and a full vote of the Assembly is expected on Monday, Dec. 1. SB 60 would not have gone into effect until Jan. 1, 2004.

It is likely that if a new bill is drafted, it will include many safeguards, such as background checks, evidence of employment, having applied for citizenship, etc. Law enforcement officials and the Governor's office will be involved in drafting any new proposals. 13 states currently issue driver's licenses regardless of a person's immigration status, and for 65 years, California also did. If people are driving illegally, which I don't condone, I continue to believe that they should be required to pass a driving test, know our laws, and carry insurance. Under current law, if pulled over by police or sheriff, the person's car is impounded, but for \$600 it is returned right back to them.

3. 2003-04 Budget:

As a member of the Assembly Budget Committee, I have been in hearings both last week and this week to review the Governor's proposal to sell \$15-17 billion of deficit general obligation bonds. In order to give the bond markets confidence that these bonds will be repaid, and to limit our exposure to legal challenge, voter approval on the March ballot would be required.

One of the biggest challenges is the lack of time and specific information from the Governor in order to make a responsible and informed decision by the December 5 deadline to place a bond measure on the March 2 ballot. Funds from his deficit bond would cover \$10.7 billion pension obligation bond borrowing that was already approved by the Legislature for the current 2003-04 fiscal year, as well as part of the money needed to repay local government the \$4 billion owed to them after the Governor repealed the car registration fee rebates – a 40% increase in the state's debt.

Car registration fees were guaranteed years ago by the voters to belong 100% to local government. Since 1995, the state has been paying 2/3 of those fees. The state had a huge budget surplus from the stock market boom and increased capital gains revenue. The legislators then in office, along with the Governor, voted to reduce this fee by 2/3 as a way to return money to taxpayers. The total outlay from the state general fund was over \$20 billion. Prior to that, from 1937 to 1995, everyone paid the full 2%.

The state subsidies ended this summer as part of the budget balancing, and car owners once again were asked to pay the full amount. With a stroke of his political pen, the Governor cut the fees back to just the 1/3 that the car owners have been paying – a very popular act, but one which means 2/3 less revenue to cities and counties. He is now asking the Legislature to cut an additional \$1.9 billion from the budget to pay part of the 2/3 owed to local government that they rely on for police, fire, road maintenance, etc.

I'm not opposed to the bonds -- it's the lack of a dedicated revenue stream to repay the bond which causes me the greatest concern. Should Californians be asked to make severe long-term (15-20 year) cuts in services (schools, health programs, roads, etc.) to pay off this one-time fix? This is not the traditional use of bonds, which are more typically used for capital expenditure projects such as school construction, major road improvements, or air/water quality measures which continue to benefit future taxpayers. A dedicated revenue stream (such as a ½ cent sales tax for five years) would probably lower interest rates and assure Wall Street.

There is also the question of how a \$15-20 billion deficit bond will impact the \$12.3 billion education bond for school construction that is already slated to go on the March ballot? And there are other bond measures that local government or school districts are considering to assist with their own budget shortfalls. Will voters have "sticker shock?" Will the collective weight of all of the bonds be too much? State Treasurer Phil Angelides testified that the state has never sold more than \$6 billion in bonds during a single fiscal year.

4. Spending cap:

The other ballot measure that Governor Schwarzenegger proposes is a spending cap. I have not yet seen how it would be adjusted to growth and inflation. Does it allow for prudent one-time expenditures when the economy rebounds? It's important to remember that ongoing programs such as expansion of the Healthy Families Program, which provides insurance to one million children who had none; the popular K-3 class-size reduction program; and the car registration rebates were all spending commitments made during the mid-1990s when California's economy and personal income tax revenues were soaring.

New Assembly Speaker Named

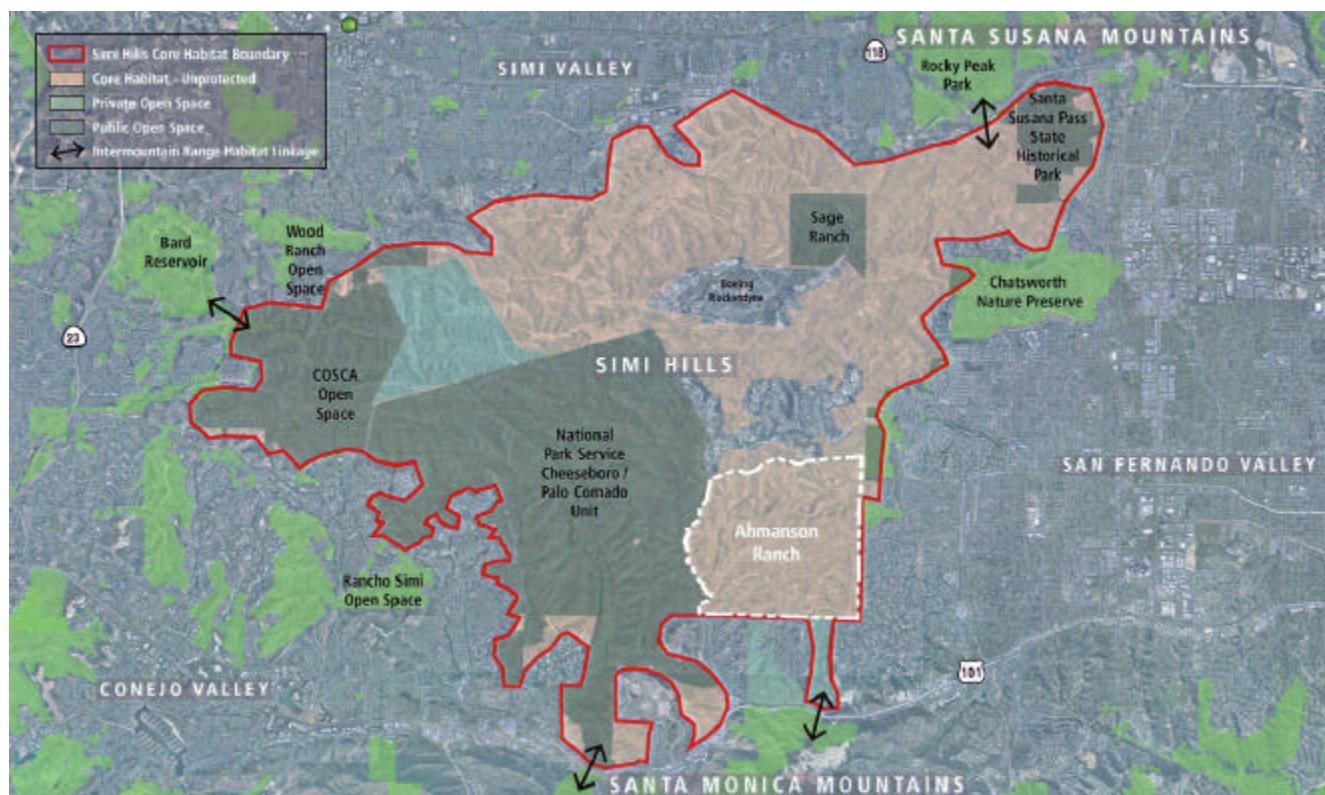
Congratulations to my colleague and friend, Assemblymember Fabian Nunez, who has been chosen by the Assembly Democratic Caucus to be the next Speaker of the California Assembly when Speaker Herb Wesson steps down early next year. A formal vote confirming the intention of the caucus should take place prior to the end of the year.

Assemblymember Nunez represents the Los Angeles area and will be the fourth consecutive Speaker from L.A. (Villaraigosa, Hertzberg, Wesson, and Nunez).

It's been wonderful for me for the past three years to be assigned a seat next to Speaker Wesson on the Floor of the Assembly. Not only was I able to bend his ear on numerous occasions, but I was thrilled when he received the California League of Conservation Voters "Environmental Legislator of the Year" award.

Final Action on Ahmanson Ranch

As reported in my November 7 Special Edition newsletter, escrow closed on Ahmanson Ranch on Friday, November 7. All documents were recorded and dismissals of all lawsuits were filed on Monday, November 10. The Santa Monica Mountains Conservancy will be working quickly on protections for the endangered San Fernando Valley Spineflower reserve and the other rare and threatened species on the site. Their intention now is to get an interim management plan put together as quickly as possible.



Santa Monica Mountains Conservancy

Effective today, Monday, Dec. 1, the park is open to the public. From the 101 freeway, take the Las Virgenes Road/Malibu Canyon exit, and drive north to the end. You can hike into the park from there. From the historic ranch house at the top of the mesa, a 360° view of the San Fernando Valley, Simi Hills, and Santa Monica Mountains is possible. If the early rains continue that we have had so far, a springtime hike on Ahmanson Ranch should be spectacular. I may even organize one myself.

NAME THE NEW PARK

The park's name may be changed to reflect the new public ownership. If you have a suggestion on what our newest state park should be called, please e-mail me at assemblymember.pavley@assembly.ca.gov. I'll forward all ideas to the Conservancy for their consideration.

National Park Service Celebrates 25th Birthday

I can't believe that it's been 25 years since the creation of the Santa Monica Mountains National Recreation Area (SMMNRA). Federal legislation authored by former Congressman Anthony ("Tony") C. Beilenson created this wonderfully scenic and very accessible park. The first Superintendent, Bob Chandler, joined Tony and hundreds of well-wishers at the National Park Service headquarters in Thousand Oaks on November 14. Beautiful photographs of "our" park and an exquisite video are on display in the Visitors Center. Tens of thousands of acres have been acquired over these past 25 years, thanks to the hard work and vision from more than 30 years ago of countless local residents. These include, but are certainly not limited to, Jill Swift, Margo Feuer, Sue Nelson, and Dave Brown, among so many others.

If you've ever visited Chesebro National Park, Paramount Ranch, Rocky Oaks, Peter Strauss, Franklin Canyon, Satwiwa (Rancho Sierra Vista), these are just some of the areas that have been saved from development for the recreational enjoyment of future generations to come. The SMMNRA is a unique partnership with State Parks, the Santa Monica Mountains Conservancy, and local land trusts. The synergy of such a partnership has made the SMMNRA a magnificent park that stretches all the way from the Pacific Ocean inland. It is visited by millions of people every year, including those in heavily urbanized areas who might otherwise not have the ability to be less than an hour away from such an experience.

Historic Reyes Adobe Restoration Breaks Ground

The City of Agoura Hills is home to an adobe residence that was built either in 1797 or 1820 by either Jose or Jacinto Reyes. Spanish missionaries and travelers used it as a way station as they traveled up and down El Camino Real (what is now the 101 freeway, and marked by mission bells). On Saturday, November 15, the city formally broke ground to restore the Reyes Adobe.

A great citizen's committee, headed by Agoura Hills resident Jim Lahana, has been working on the restoration and interpretive plan since last year. I was very happy to be able to get a \$400,000 grant from the Santa Monica Mountains Conservancy to help the city with the restoration costs. The hope is to have it open for public use sometime next spring or early summer.



Former Agoura Hills Council Members involved in the early efforts to preserve the Reyes Adobe. Left to right: Ernie Dynda, Vicky Leary, Darlene McBane, now-Assemblymember Fran Pavley.



Education Forum

On Wednesday, November 19, I hosted an Education Forum on the Pierce College campus for a varied group of school administrators, school board members, teachers, union representatives, PTA/PFC representatives, and others. The keynote speaker was State Superintendent of Public Instruction Jack O'Connell, who updated the audience on state-related issues of importance to the education community this coming year. I was very appreciative and honored that Superintendent O'Connell took time out of his very demanding schedule to

speak to the education professionals in my district. His distinguished 20-year career in the legislature included landmark legislation on class size reduction, the high school exit exam, and beginning teacher salary incentives.

In addition, a panel of other experts also made very informative presentations. Subjects included school construction and Prop. 55, the Universal Classroom Breakfast program, and health insurance for children.



In Santa Monica ...

- **Hacienda del Mar Ribbon Cutting**

In 1995, United Cerebral Palsy of Los Angeles (UCP) was awarded a \$1.5 million HUD grant to develop a 13-unit affordable apartment complex for individuals with severe disabilities. Thanks to the partnership between UCP, L.A. County, and the City of Santa Monica, the oldest, and very dilapidated, government building in Santa Monica has been transformed into a wonderful new historical and cultural landmark. With "Spanish Eclectic" architecture, the building includes a central courtyard and fountain. Painsstaking effort was made to preserve as much as possible of the original interior architectural features as well. I was joined at the ribbon cutting by L.A. County Supervisor Zev Yaroslavsky, Santa Monica Mayor Richard Bloom, and UCP Executive Director, Ronald S. Cohen.

Hacienda del Mar is now 13 fully accessible apartments, each different, and all beautiful. All tenants are developmentally disabled and in the "extremely low" income range. Their sole source of income is either SSI or SSA (\$700 a month). Congratulations to all who made this innovative project possible -- one that insures that these disabled citizens will have the dignity and respect to which they are entitled.

- **Rape Treatment Center**

The Rape Treatment Center of the Santa Monica-UCLA Medical Center is one of the premiere facilities of its kind in the country. For 25 years, they have been providing care to sexual assault victims and their families, along with educational, medical, and other critical resources. I was able to tour the Center and the Stuart House recently with Gail Abarbanel, their long-time Director.

The Stuart House is a separate residence, designed to improve the treatment of children who are suspected victims. It is a one-stop facility managed by a team that includes a deputy district attorney, law enforcement investigator, DCFS worker, and a Child Advocate.

I was moved and very impressed by the kind of work and the services that the Rape Treatment Center is providing to care for and support victims, and to help prevent rapes from occurring.

- **Water Contamination Lawsuits Settled**

Congratulations to the City of Santa Monica and to Shell, ChevronTexaco and ExxonMobil on the settlement of the City's lawsuit concerning MTBE contamination from these gas stations of the City's water supply. Because of the MTBE contamination, Santa Monica lost the use of roughly half of its drinking water.

The oil companies will pay all costs to construct, operate and maintain a water treatment plant, which costs would exceed several hundred million dollars. The City will also receive the sum of \$92.5 million to cover out-of-pocket costs and other water-related City needs.

While it will be a few more years before the Charnock Well Field is once again able to supply Santa Monica residents with clean drinking water, this appears to be a giant first step.

Effective January 1, 2004, and thanks to the strong support from Santa Monica and many others statewide, it will be illegal to use MTBE in California.

Halaco Engineering to Begin Cleanup

For decades, Halaco Engineering has been operating its metal recycling business literally at the water's edge in Oxnard on Ormond Beach. The byproducts of the operation have been collected into what is now a four-story-high slag heap, with a chemical stew filling a settling pond at its center. It has been targeted by environmental lawyers, and subjected to cleanup and abatement orders from the Regional Water Quality Control Board over the years, based on chemicals and other air and water pollutants that were contaminating the water under the site, air emissions escaping the building, and stormwater runoff from the slag heap flowing directly into the ocean.

Last month, faced with two environmental lawsuits and action by the Ventura County District Attorney, Halaco entered into a settlement agreement to begin cleanup of their site. They will begin to reduce the size of the massive slag heap over the next 30 years, and will install barriers to prevent pollutants from escaping the site into both the air and water.

I want to extend my thanks and congratulations to the Environmental Defense Center and ChannelKeeper lawyers, the Regional Water Quality Control Board, the Ventura County Air Quality Control District, and the many Ventura County officials, all of whose persistence seems to have finally paid off and brought Halaco to the table to begin cleanup, and with severe monetary sanctions should they fail to do so.

Planning Impacts Air Quality

The City of Port Hueneme copied me on a letter they sent last month to the U.S. Environmental Protection Agency, pointing out two major air quality concerns that they see for the region, and urging the USEPA to commit to further emission reductions from federally regulated sources. Those concerns were:

- First, the growing proportion of emissions from sources outside the region, thus outside of regional control, such as ships, planes, heavy-duty diesel trucks, and off-road diesel equipment.
- Second, the increasing size of emission reductions attributed to unknown control technologies – “black box” measures.

I appreciate that Port Hueneme took the time to send their comments to the USEPA, and for their ongoing for California's efforts to cleanup our air quality.

Also, the Naval Base Ventura County will be the site of a new biodiesel facility – an alternative fuel made from recycled cooking grease, including a pilot program with the U.S. Navy to help clean the air, and create sustainable energy sources.

Do You Know the Main Sources of Air Pollution?



20% comes from stationary sources

- Industries such as refineries and power plants.
- Businesses like factories, dry cleaners, gas stations, and auto shops.
- Commercial products: ex., paints, solvents, adhesives.
- Other sources such as dairy livestock operations.

80% is from mobile sources

- Motor vehicles, including cars, diesel-powered trucks and buses, ships, trains, planes.
- Consumer products like household cleaners, cosmetics, gas-powered mowers and leaf blowers.



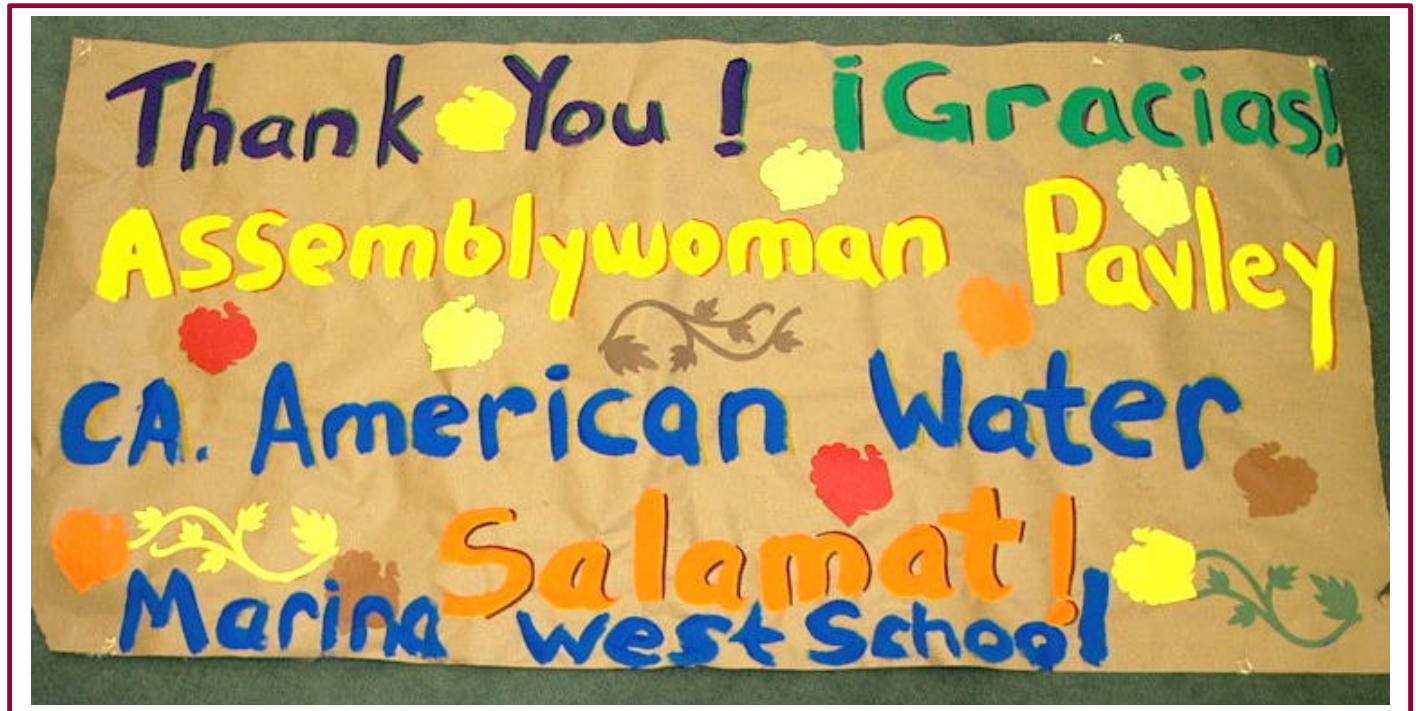
Your Rights to a Fair Insurance Claims Process

Although my district was spared from the aftermath of the recent fires that ravaged so many communities last month, disasters occur everywhere, and homeowner's insurance is looked to for rebuilding when the worst does happen. At such time, it's critical that homeowners be immediately informed as to their basic right to a fair claims process. State Senator Martha Escutia authored a bill, SB 658 in 2001 -- now Insurance Code Section 790.03(h) -- that provides certain important protections for homeowners. Among other things:

- Insurance companies must provide every victim who files a claim with a one-page copy of his/her rights under this section.
- Insurance companies must keep homeowners informed as to the status of their claims by sharing information from their claim file.
- Requires a voluntary and informal appraisal process in government-declared disasters to reduce costs.
- Provides due process rights to innocent policyholders against abusive and intrusive information gathering, including information on criminal penalties for insurance fraud.

The California Department of Insurance has a website specifically to provide insurance information on the 2003 wildfires. You can access that at www.insurance.ca.gov, or call the Department of Insurance at 1-800-927-HELP.

Operation Gobble



My district office staff very much enjoyed helping to hand out free turkeys from the California Water Association to Oxnard families identified by the Family Resource Center (servicing three elementary schools). Oxnard School Superintendent Richard Duarte stayed the entire time, and took my staff representatives on a tour of Marina West with the principal, the Family Resource Center, the Head Start program (also housed there) and a new pre-school which is about to open.

We all have much to be grateful for. I hope everyone had a very Happy Thanksgiving.

Assemblymember Pavley's Committee Assignments

Appropriations Committee
Arts, Entertainment, Sports, Tourism, and Internet Media Committee
Budget Committee
Education Committee
Transportation Committee
Water, Parks and Wildlife Committee

Select Committee on California Ports
Select Committee on Coastal Protection
Select Committee on the Future of California's Health
Select Committee on National Defense, Technology and Jobs
Select Committee on Sustainability
Select Committee on Title IX

Chair, Select Committee on Air and Water Quality
Chair, Budget Subcommittee #3 on Resources

Legislative Advisory Committee – Wildlife Conservation Board
Legislative Advisory Committee – California Coastal Conservancy
Santa Monica Mountains Conservancy Board

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